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Roth, Steffen

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## Leaving Commonplaces on the Common Place: Cornerstones of a Polyphonic Market Theory

Steffen Roth

ESC Rennes School of Business, France  
steffen.roth@esc-rennes.fr

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*Markets*

*New economic sociology*

*Functional differentiation*

*Polyphony*

### Abstract

Markets are considered economic phenomena, which is said to be true even if markets are considered social structures, cultural fields, or simply politics, at the same time. Against this background, the present paper argues for a polyphonic market concept. Unlike the popular economy-biased notion of markets, such a concept allows for the analysis of markets in eras and areas where functional differentiation did or does not exist or play a major role. Furthermore, it turns the idea of the ultimately economic nature of markets from an axiom to a research question. In doing so, it breaks ground for research in major trends in functional differentiation and in the preferences for particular function systems featured by concrete groups, milieus or organizations.

### Commonplaces and Markets: An Introduction

When the conversation turns to markets, one automatically thinks of the economy. As described in classical literature on economics, we still seem to imagine markets as meeting places or spaces of supply and demand. In our minds, we have merchandise markets (Weber, Roth, & Wittich, 1978), price formation mechanisms (Coase, 1990) and “sets of money-mediated exchange transactions” (Zafirovski, 2007, p. 313). At times, the market is also defined as an internal environment of the economic system (Luhmann, 1988, p. 91). In any case, the market clearly is “the central economic phenomenon” (Zafirovski, 2003, p. 88) or the central institution of modern economies (Beckert, 2009b, p. 245).

The idea of non-economic markets, therefore, contradicts both common sense and scientific expertise. So far, commodification and marketization (Pohlmann, 2006, p. 230) can confidently be used as synonyms. The expansion of the market concept to non-economic spheres of society is, therefore, quickly considered a form of *economic colonialism* (Swedberg, 1990). Even if such advances to *market fundamentalism* (Soros, 1998) do not necessarily evoke the *economic horror* (Forrester, 1999), they are mainly described as dangerous or, at the very least, fruitless and unscientific games with metaphors.

Though noble in its aspirations, the problem with this attitude can be found in the definition of a reasonable market concept. While the claim of the economic nature of markets necessarily refers to a concept of functional differentiation, we can easily think of markets in times and places where the modern distinction of policy, religion, law, art and perhaps also the economy was either unknown or at least rather irrelevant. This still might be true for a considerable number of world regions. With specific reference to transition countries, we might even find that functional differentiation is a

reversible process (Hayoz, 2007). The comparative study of (pre-/post-) modern markets, however, requires a market concept that does not imply functional differentiation, but, firstly, allows for the defining of an object of investigation on which functional differentiation can be applied. This claim is supported by the fact that a traditional market, the Moroccan Jemaa el-Fnaa, has been designated by UNESCO as a *Masterpiece of the Oral and Intangible Heritage of Humanity* in order to protect it from economization. If we acknowledge that markets actually can be sometimes more or less economic, we must also champion an unbiased approach to the idea that *the* (i.e. the economic) market refers to only one of several dimensions of an obviously trans-economic market phenomenon.

In the present article, we come closer to such a polyphonic market concept. Why, according to the new economic sociology, can markets be quite naturally distinguished in terms of different segments or strata while we should refrain from applying functional differentiation to the market phenomenon? In other words, why not distinguish between economic, political, scientific and religious markets in the same way as we do when comparing Chinese, Russian and German markets or luxury, premium and mass market segments? In line with answers to this question, we will present key points of our criticism to the cliché of the economic nature of markets that are explicitly supported by the larger part of new economic sociology. This discussion will show historical and logical reasons for the non-economic market taboo as well as the fact that the issues that give reasons for the taboo can be more effectively addressed. In the end, we will draw on evidence from history, archaeology and ethnology to present a first impression of a polyphonic market concept based on which we can also sketch the idea of one day being able to calculate exchange rates between economic and political, religious or aesthetic markets in a way that will be at least as informative as the current analysis of the rates between the Euro, the Pound and the Yen.

## Markets and Functional Differentiation: A research niche

If we follow the suggestion of Niklas Luhmann (Luhmann, 1977, 1995, 1997), we can distinguish three basic forms of social differentiation: segmentation, stratification and functional differentiation.

“Segmental differentiation results from the division of society in homogenous subsystems, which create an environment for one another. This presupposes, in whatever form, family building. The family is an artificial unification across the natural differences of age and gender and is so due to the incorporation of these differences. (...) The family is constituted as a form of differentiation of society, and not the other way round”<sup>i</sup>.

Over time, forms of stratified differentiation built on and levered segmental differentiation, which is mainly associated with the development of hereditary privileges of the elite:

“Here, elite and, hence, stratified differentiation, means an order of families and not of individuals, i.e. a social awarding of origin and affiliation. Unlike the present social order, it is important to note that class affiliation had multi-functional effects, that is it concentrated advantages and disadvantages in virtually all function systems of society (...). Of stratification, we want to talk only if society is represented as a hierarchy and if order without rank differentiation is unthinkable”<sup>ii</sup>.

In the transition from the Middle to the Modern Age, Luhmann observed a “silent revolution”, during which the feudal upper classes and the model of stratified societies forfeited supremacy not by the rise of another class, but “by the gradual devaluation of the difference that made the distinction between the nobility and the people”<sup>iii</sup>. A scenario in which society is differentiated inline with specific functional logics finally replaces the old order of things: “Every function is carried out autonomously by one subsystem. Each subsystem hypostatizes the primacy of its own function. (...) Within the economic system, for example, the concentration on scientific truth is rejected, but the relevance of science to society is received”<sup>iv</sup>. Science is dissimilar to the economy, but both function systems are equivalent subsystems of society.

The advantage of this differentiation theoretical approach is that “its uniqueness and added value can be seen in the fact that this main differentiation allows for the parallel use of different forms of differentiation and also for the consideration of contradictory and extensible trends of differentiation”<sup>v</sup>.

Coming back to the idea of a polyphonic market concept, this would mean that segmental, stratified *and* functional differentiation must be treated as basically equivalent forms of market observation. This remains true as long as we do not want to explicitly limit our observation to an exclusive focus on one particular market segment, stratum or function. Moreover, if we actually focus on the latter form of differentiation, we then find that there is an emerging body of literature on polyphonic or heterophonic organizations (Andersen, 2003; Andersen & Born, 2007; Thygesen & Andersen, 2007), i.e. organizations that are “shifters of communications” (Andersen, 2003, p. 178) systematically referring to more than one function system. The question then would be why polyphonic organizations should be limited to monophonic markets.

That said, it is remarkable that in the relevant scientific discourses we distinguish routinely between British and Japanese markets (*segmental differentiation*) as well as between a luxury and a premium market “segment” (*stratified differentiation*), while we still have quite some trouble with applying functional differentiation to markets.

One reason for this may be the “claim inflation” of the economic system as identified by Jens Beckert (2009a). In its endeavor to contain this inflation, the new economic sociology makes a substantial contribution to the reductionist image of the economy. This is especially true in view of the market concept of economics to which this particular “part of sociology that deals with the objects of economics rather than economic objects broadly conceived” (Fourcade, 2007, p. 1017) owes its existence. The new economic sociology’s own legend explicitly has it that Douglas North’s (1977) article on the lack of sound market concepts in economics was the decisive trigger of the Renaissance of the new economic sociology (Beckert, Diaz-Bone, & Ganssmann, 2007). Accordingly, the market became the preferred foster child of the new economic sociology<sup>vi</sup>, which, ever since then, has been treating it like an *enfant sauvage*, who needs more or less gentle violence to be reacquainted with its social environment. Thus, the market is treated as a rehabilitation case<sup>vii</sup> most of the time. Sometimes the self-will of the market is even appreciated, however, within certain limits because often enough the market still seems to lack soft skills and appears wild, anarchic and uneducated (Zafirovski, 2003, p. 93).

In this sense, the second official guiding concept of the new economic sociology actually corresponds with a claim for a catch-up education of the “boundless market” (Zelizer, 1988), who must be helped to a more social and responsible self-concept. However popular this *embeddedness approach* (Beckert, et al., 2007) might be in a sociological subfield where everyone has become a Polanyian (Beckert, 2007), it, nonetheless, leads the market as well as its observers to the borders of an experimental neurosis. Having once started as a *form of the association with non-comrades* (Weber, et al., 1978, p. LXXVIII), the market is now expected to follow the will of certain associations of comrades (be it enterprises, governments, national economies, or civil societies), or at least to accept to act as a means to their – well-meaning – ends. In the attempt to present the fundamentally group egoistic concept of embeddedness either as an empirical fact or a moral requirement, the still expressly *economic* “markets are as much political arenas as they are economic realms” (Beckert, 2009b, p. 259). Now, does this mean that political orders may either consist of both political and non-political aspects or that markets obviously feature non-economic dimensions while, nonetheless, remaining an economic phenomena whose expansion must be contained?! In fact, we are presented with this type of logic again when Jacob Arnoldi (2007, p. 91) claims that “(m)arkets, and the economy itself, are and always have been political constructs, engineered and supported by political decision-makers (though markets also exert influence over these)”. We continue to read of market logics as ideologies of dominance (Hadjar, 2004, p. 42) or encounter semantic amalgams such as *market power* (White, 2000) or *economic power*, the exploration of which can be interpreted as both imperative for true economic sociologists<sup>viii</sup> and a sign of latent complicity with the economics<sup>ix</sup>. Milan Zafirovski (2003, p. 125; 145ff), therefore, advises economic sociology to stop the ideological struggle on the *political* nature of the market and, rather, focus on a sociological analysis of market *laws*.

In bringing law into the game as a third player, one is indeed in good company: Michel Callon (Callon, 1998) is specifically interested in *The Laws of the Markets* and Masudul Choudhury (Choudhury, 1996) analyses *Markets as a System of Social Contracts*. From Jens Beckert we learn that what is primarily traded in markets are *rights*: Markets “provide a social structure and institutional order for the voluntary exchange of rights in goods and services, which allow actors to evaluate, purchase and sell these rights” (Beckert, 2009b, p. 248). Markets are commonly measured against their ability to generate distributive justice. In this sense, *market failure* is “when capital and market logic, which regulate the economic affairs, can no longer guarantee the social and political balance of poetic *justice* within the society”<sup>x</sup>. Reading this, we must really ask ourselves for our definition of sociality if we judge, of all, the supposedly anti-social markets against their (lacking) ability to make societies more social. Returning to less normative perspectives on markets, we find them defined as a “change of law through law” (Medema & Samuels, 2000, p. 89) or as a “set of rules” (Heinemann, 1976, p. 48).

Overall, it is indeed surprising to find that definitions of the central economic phenomenon or institution (Beckert, 2009b; Zafirovski, 2003) built on political, legal or cultural concepts are the rule rather than the exception. Less surprising is then that the economic sociology is more familiar with the idea of non-economic markets than the new economic sociology would like it to be. James Coleman (Coleman, 1973; Coleman, 1991) expressly refers to social markets and marriage markets, which rapidly recalls his close working relationship with Gary Becker (Fine, 2001, p. 51) and is seen as an example of the colonization of society by “an aggressive rational choice theory and unrealistic homo-oeconomici”<sup>xi</sup>. Though Coleman is regularly cited in the new economic sociology<sup>xii</sup> and even referred to as one of its founding fathers<sup>xiii</sup>, his market concept is hardly taken into account and when considered, is looked at critically.

The same can be said of Pierre Bourdieu, who is another advocate of the idea of non-economic markets and whose oeuvre is still a present benchmark for larger parts of the Francophone economic sociology (Diaz-Bone, 2007) and beyond. Marion Fourcade (2007, p. 1015), Daniel Schluchter (2007, p. 92) and Jens Beckert along with Rainer Diaz-Bone and Heiner Ganssmann (2007, p. 34) include him in the canon of economic sociology. Michael Florian and Frank Hillebrandt (2007) expect him to open up *New Perspectives in Economic Sociology*. Richard Swedberg (2008) considers Bourdieu the forefather of a younger school of economic sociology and, therefore, works intensively on his market concept, however, again without even regarding the fact that Bourdieu also explicitly assumes the existence of non-economic markets. Rather, he adapts Bourdieu's thought to the habits of mind of new economic sociology by automatically assigning the market to the economic field (Swedberg, 2005). As soon as Bourdieu's affinity for non-economic markets can no longer be concealed, it seems to imply that "(d)espite his disclaimers, Bourdieu does indeed share a great deal with Gary Becker and other rational choice theorists" (Calhoun, 1993, p. 84)<sup>xiv</sup>. As in the case of Coleman, the reception of Bourdieu's market concept fluctuates between criticism and – at best benevolent disregard.

The only reason why an author like Dirk Baecker has not yet been criticized for his approach to markets lies very likely in the fact that contributions from social systems theory are broadly ignored by most of the new economic sociologists<sup>xv</sup>. Baecker (2006a, p. 333) states that "(m)arkets are considered essentially economic phenomena, but are common in other spheres, including the spheres of politics, science, religion, art, education, law and organizations as well". Quite in contrast to Luhmann's (1988, p. 91) concept of the market as the inner environment of the economic system, Baecker's statement strongly suggests the possibility of a constructive approach to the supposedly metaphorical concept of non-economic markets.

On the one hand, in view of the outlined simultaneity of a vehemently presented critique of the idea of non-economic markets and, on the other hand, an excessive use of non-economic metaphors in their own market definition, it makes perfect sense to ask whether or not foundation myths, intradisciplinary lines of development and interdisciplinary trench warfare are already sufficiently good reasons for the perpetuation of the idea of the essentially economic character of the market.

## Cornerstones and Foundations: Circumstantial Evidence

Despite all the self-generated evidence for the trans-economic nature of markets, economic sociology still cultivates the cliché of the essentially economic market. It is this market whose failure results from its insufficient embeddedness in society and, therefore, is to be re-embedded either by virtue of the socio-economic argument or by the strength of economic policy. At the same time, (the same) economic sociologists do not tire of emphasizing that markets actually are social structures (Beckert, 2009b; Beckert, et al., 2007; Callon, 1998; Fourcade, 2007; Jackson, 2007; Swedberg, 1994). If markets actually are social structures, then the concept of embeddedness becomes even more obscure, for what is it to say when economic sociology claims that one social structure should be embedded in another? What do we learn from an article that proceeds from the assumption that "financial markets are embedded in society" (Mikl-Horke, 2010, p. 9) and draws the conclusion that "financial markets must be embedded into social contexts" (p. 13)? The answer would be, at first glance, not much, especially if we apply logic. This more than typical blend of a moral impetus ("*markets must be embedded*") and an obviously incompatible descriptive observation ("*markets as social structures*") was, nonetheless, popular in the new economic sociology long before the recent financial crises proved it at least compliant with the habits of defrauded hearts.

Paradoxically, the idea of a social embedding of markets can be maintained by way of the assumption that both economic and non-economic markets actually do exist. If we assume that the economy is one function system of society, we can reasonably assume that even the most economic market is already embedded in a social structure, namely the economy. Any claim for further embeddedness, therefore, either means to embed a market even deeper into the economy or to also embed it into the non-economic spheres of society. While the first type of embedding is a job of economics, the second is a case for sociology. Therefore, embedding cannot mean to copy and paste the economic market into the rest of the society (which means to practice economic colonialism) nor to put the economic grain into the social oyster (because the economy is part of the oyster itself). Rather, embeddedness would have to refer to a plurality of political, scientific or religious markets or dimensions of a polyphonic market concept, respectively. Such a development of the market concept has nothing in common with economic colonialism, but rather frees markets from reductionist fallacies that still prevail in *both* economics and economic sociology.

Against the background of this counterintuitive, but logical argument, it is little surprise to find historical, archaeological and ethnological traces that support a trans-economic approach to markets and it is worth noting that most of them belong to the own wealth of knowledge of economic sociology. In this sense, we can start from Michel Callon's



(1998, p. 1) assumption that “the weakness of the market theory may well be explained by its lack of interest in the marketplace”, which we consider an invitation.

A feasible theory of the evolution of markets may start with P. J. Hamilton Grierson’s (1980) remarks on silent trade, which present a scenario that perfectly aligns with Max Weber’s idea of the market as a form of the association with non-comrades. We read of men who venture out of their tribal homeland and cautiously approach certain spots in the unsettled territory that border on the homeland of other tribes. This is not done in order to conquer these spots, but rather to lay down certain objects and wait and watch from a safe distance as to whether or how the objects are taken and ideally replaced by other objects. It is not only Grierson (1980, p. 25) who considers such “primitive markets” as the precursors of the current ones (Baecker, 2006b). At first resembling experiments rather than institutions, they constituted a stage that was soon entered by the many other gods of the market, the trade, and the thieves who oversaw that no one broke the taboos on the sacred interface between the segments of early human society. The next act is already remarkably familiar to us: “Then the priest came and took one-third part of the price for the god: and what was left remained in safety until the sellers came and took it” (Grierson, 1980, p. 25).

If we now were to describe early markets in terms of functional differentiation (what we actually must do if we are interested in maintaining the economic character of the market), then there is obviously at least as much religion or law as there is economy<sup>xvi</sup>. The market thus would not be ultimately economic, but also, or rather, the venue of a religious ritual related to the transcendence of tribal borders and daily experiences, i.e. an act of balancing the familiar and the unfamiliar<sup>xvii</sup>.

The more seriously we consider markets forms of the association with the unfamiliar, the more we will find that markets cannot be captured from the singular perspective of the individual participants. This, however, implies a certain dilemma for the advocates of the embedded market. If we accept that market interaction makes its own laws and, therefore, necessarily goes beyond the individual desires of the parties involved, then the (reasons for the) pleas for certain forms of embeddedness, i.e. the biases to one of the parties involved clearly go beyond science and qualify as research topics themselves.

The assumption of the inherent neutrality of the market, however, can be grounded in the fact that early market places were situated in a neutral zone between individual homelands (Grierson, 1980, p. 26; Simmel, 1992, p. 788). In fact, this neutrality was so important that it was realized even when the necessary spatial conditions were not given (anymore) and the formerly territorial neutrality was to sidestep to the timeline<sup>xviii</sup>. One of the most popular results of this maneuver is the Kula ring of the *Argonauts of the Western Pacific* (Malinowski, 1978) on which Marcel Mauss builds his theory of *The Gift*. Mauss (2002) describes how shell-disc necklaces and shell armbands are forwarded clockwise and counterclockwise among a good number of scattered islands in Oceania, thus making sure that each of the islands involved periodically mounts an expedition to one of the neighboring islands and, conversely, at times, welcomes their neighbors in their own homeland. Being an exchange of merely symbolic goods, this “Kula trade is of noble kind” (Mauss, 2002, p. 28) - a cult rather than a system of transactions - and clearly distinguished from its chaperon *Gimwali*, the profane exchange of commodities. Whatever can be taken for economic in this context is, therefore, only a marginal function of the “total system of gift” (Mauss, 2002, p. XII), the core function of which is to interdict everything “that is reminiscent of hatred and war” (ibid. 63). To take the Kula, nonetheless, for a gift economy (Beckert, et al., 2007, p. 35) or an “economic system” (Burt, 1995, p. 251) and to argue about the impossibility of the pure (read: non-economic) gift (Hillebrandt, 2007, p. 291) means to perform a socio-economic form of economic colonialism, which is no better than its economic variety. An alternative might be to consider both the gift and the market principles that are older than functional differentiation and, therefore, by no means inherently economic. In addition, we have to point out that this *total market* (Mauss, 2002) is not to be seen as the possessive market *of* the Trobriands, but rather again as the result of the association of strangers or, in modern terms, as an international event. Against this background, we can restate our case and ask what could be the deeper meaning of the popular claim of the social embedding of the market? How and with what right could an individual pacific island embed an entire international exchange system of which it is a part of? How and with what right should something like that be done by a nation state in the context of globalization? What else does the embeddedness approach do other than just advocate the egoisms of individual tribes, islands or nations (in short, particular segments of society)? Is it not the case that, of all, embeddedness thinking contradicts the most basic rules of reciprocity and fairness, for if it were logically conceivable that one segment actually can organize ‘its’ market at its discretion, then how could we not find that all other participants are in a situation of absolute dependence? Is it not that the best-embedded market is also the most despotic one? In fact, we can consider the increasing approximation of markets to the emerging centers of civilization to be the first signs of this particular form of embedding and, hence, of an increasingly unequal distribution of market risks and rewards. Even if the market places *of* the early centers were still located at their gates (Polanyi, 1963), the members of

peripheral segments already had to make the journey all the way deep into the sphere of the centers - a zone of considerably reduced neutrality. As things developed, we observe the increasing internalization of markets:

“For example, the agora of Athens was within the city limits, within a sector marked by border stones. In specially constructed open porticos (stoa), the merchants offered their goods. Many social and political activities also took place in the market, where Socrates importuned wealthy young Athenians, who thought more of their wealth than their souls. Specially appointed officials ensured that order prevailed in the market, exact weights and measures were used and no counterfeit money was in circulation. Crimes committed in the market were punished by special courts”<sup>xix</sup>.

Richard Swedberg presents a lively and colorful picture of an ancient market featuring two aspects that particularly attract attention:

- On the one hand, we find that the situation of a market that is both located within the city walls and, nonetheless, separated from the city by landmarks, gives us a solid example of an internal environment, although not an inner environment of the economy (Luhmann, 1988), but rather of the urban society as a whole. Being accessible to both residents and strangers, the market also served as an interface that allowed for specific forms of contact between the city-state and its environment.
- On the other hand, Swedberg’s brief description is all we need to understand that the economy was just one among many functions that were realized on the market. With regard to the fact that the Stoa, those colonnades, where trade was continued, were usually on the edge of the market (Thompson, 1954) and not in the center thereof, we may find again that economy was only a marginal function of the market.

To call the market “a mechanism for limiting contact between incompatible economic systems” (Humphreys, 1969, p. 185) is, therefore, not absolutely wrong, but rather an incomplete picture. Markets are indeed selective interfaces of social systems and their environment; however, they are not limited to economic information. The increasing presence of the market must have considerably changed the life of the city-states as the market is an apparent object-lesson in seeing and being seen and thus entails an inherent challenge to people’s routine. This routine affected their faiths, judgments, tastes, shapes of speech and modes of production so strongly that policies were criticized as despotic if they tried and “confined the citizens to the privacy of their households” (Arendt, 1993, p. 290). Therefore, “(t)he only public activity left under such conditions was the exchange market of the craftsmen, whose concern was with making and not with acting, and whom the Greeks excluded from political life as banausic” (Canovan, 1977, p. 61). Despotism or tyranny was thus expressly associated with the functional cleansing of the market that only spared the economy (Arendt, 1958, p. 160). Against this background, the idea of the economic nature of the market can indeed be considered a result of a specific form of policy. Rather than trying to protect society from the economic market, sociology has every right to challenge the reductionist (socio-) economic market concept and to open again the market to all function systems.

## Exchange Rates and Multi-Functional Markets: An Outlook

Despite all evidence produced by its own empirical research, the new economic sociology persists in the cliché of the economic nature of markets, which they, nonetheless, consider social structures or even politics, at the same time. Neither this nor the above-mentioned contradictions in the socio-economic discourse, and not even the declared need for new ideas<sup>xx</sup> or finally the claim to always try to rethink markets (Bluhm & Malowitz, 2007), has so far led to either the detection of non-economic markets or the development of a trans-economic market concept.

Against this background, the present paper showed that such a research program would, nonetheless, make sense:

- First, there is a need for a polyphonic market concept, which, unlike the popular economic notion of markets, does not already imply a biased reference to functional differentiation. Rather, a market concept must allow for both the unbiased application of functional differentiation to markets and the analysis of markets in eras and areas where functional differentiation did or does not exist or play a major role (yet).
- Secondly, we have shown that the claim for a social embedding of markets only makes sense if we challenge the truism of the essentially economic nature of markets and, in doing so, again open the market to all function systems.

The benefits deriving from such a multi-functional market concept may, in the first instance, be outlined in terms of two challenging research questions: On the one hand, we find that a de-biased market concept allows for the question of how and why the cliché of the economic nature of markets could actually, at all, become popular. On the other hand, we could wonder whether or not there are exchange rates not only between the (currencies of the) national segments of the economic market, but also between the individual function systems. If indeed there were any, then the analysis of these exchange rates would allow for the detection of the probably quite different relevance that individual function systems have for concrete social systems. Furthermore, we could assume that the relevance of function systems is subject to

fluctuations; their analysis would provide deeper insights in the history of individual function systems as well as of functional differentiation in general. For example, we might expect to find a decline in the relevance of religion since the Middle Ages or a research gap behind the question of whether policy, the economy or another function system is today the most relevant. In fact, the trench warfare of the political and economic system has fueled considerable parts of the academic conflicts in the 20th century and regained popularity in the course of the recent crises.

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<sup>i</sup> „Segmentäre Differenzierung entsteht dadurch, dass die Gesellschaft in prinzipiell gleiche Teilsysteme gegliedert wird, die wechselseitig füreinander Umwelt bilden. Dies setzt, in welchen Formen auch immer, Familienbildung voraus. Die Familie bildet eine künstliche Einheit über den natürlichen Unterschieden des Alters und des Geschlechts, und dies durch Inkorporation dieser Unterschiede. Es gibt immer schon Gesellschaft, bevor es Familien gibt. Die Familie wird als Differenzierungsform der Gesellschaft konstituiert, und nicht umgekehrt die Gesellschaft aus Familien zusammengesetzt“ (Luhmann, 1997, p. 634f).

<sup>ii</sup> „Dabei ist mit Oberschicht, also mit stratifikatorischer Differenzierung, eine Ordnung von Familien, nicht von Individuen gemeint, also eine soziale Prämiierung von Herkunft und Anhang. Und im Verhältnis zu heute geltenden Ordnungsvorstellungen kommt es darauf an, dass die Schichtzugehörigkeit multifunktional wirkte, also Vorteile bzw. Benachteiligungen in so gut wie allen Funktionsbereichen der Gesellschaft bündelte (...). Von Stratifikation wollen wir nur sprechen, wenn die Gesellschaft als Rangordnung repräsentiert wird und Ordnung ohne Rangdifferenzierung unvorstellbar geworden ist“ (Luhmann, 1997, p. 679).

<sup>iii</sup> „(D)urch die allmähliche Entwertung der Differenz, die den Adel vom Volk unterscheidet“ (Luhmann, 1997, p. 712).

<sup>iv</sup> „Jede Funktion wird autonom von einem Teilsystem erfüllt. Jedes Teilsystem hypostasiert den Primat der eigenen Funktion. (...) Im Wirtschaftssystem wird zum Beispiel die Orientierung an der wissenschaftlichen Wahrheit verworfen, aber die Relevanz der Wissenschaft für die Gesellschaft akzeptiert“ (Baraldi, Corsi, & Esposito, 1999, p. 68).

<sup>v</sup> „Seine Eigenart und Vorteilhaftigkeit lässt sich daran erkennen, dass diese Hauptdifferenzierung es ermöglicht, verschiedene Differenzierungstypen nebeneinander zu verwenden und darüber hinaus widersprüchliche und erweiterungsfähige Differenzierungsrichtungen vorzusehen“ (Luhmann, 2005, p. 276).

<sup>vi</sup> However, it seems as if sometimes the market hype reflects the concept's strategic relevance for the new economic sociology rather than represents a priority objective of research. An analysis of literature in economic sociology conducted by Jens Beckert and Natalia Besedovsky (2009) concludes that the market is still ranked only third behind the research fields of *economic macro structures* and *labor and industrial relations*. From an overall point of view on research topics of the decades since the emergence of new economic sociology, the market has been even less relevant than the *enterprise*.

<sup>vii</sup> At least the discussion of the appropriate educational measures is far from reminding us of the 18th Century, even though the market is explicitly referred to as a *child of the 18th century* (Bluhm & Malowitz, 2007, p. 3).

<sup>viii</sup> We owe this assessment to a German-language article of Richard Swedberg on *economic power and economic behavior*, where he provides a detailed discussion of concepts of power relevant to economic sociology before he is disappointed by the fact that sociologists do not consider economic power at all a special form of power (1987, p. 158).

<sup>ix</sup> Complicity in terms of being too close to the idea of the market as a democratic institution, for this “notion of the market as a socio-political institution implies a certain duality (...). On the one hand, it admittedly implies the necessity and desirability of some sort of political decision-making or collective social choice. On the other hand, the extent of such political decision-making is by implication narrow and partial for most economists and rational-choice sociologists. In this sense, the specification of the market as a democratic institution has certain *laissez-faire* connotations ...” (Zafirovski 2003, p. 123).

<sup>x</sup> „(W)enn Kapital und Marktlogik, die das ökonomische Geschehen regulieren, die soziale und politische Balance von ausgleichender Gerechtigkeit in der Gesellschaft nicht mehr sichern können“ (Pühl, 2000, p. 36).

<sup>xi</sup> „Kolonialisierung (...) durch eine (...) aggressive Rational-Choice-Theorie und realitätsfremder homo-oeconomici“ (Schmid, 2008, p. 96).

<sup>xii</sup> Be that with regard to his concept of social capital (Aspers & Beckert, 2008), his groundwork on the social meaning of money (Zelizer, 1994) or simply his expertise in the relations of individuals, institutions and markets (Mantzavinos, 2004).

<sup>xiii</sup> Richard Swedberg 2000, p. 165) and Andrea Maurer (2008, p. 67) name him in the same breath as Harrison White, Arthur Stinchcombe or Mark Granovetter. Whether or not “the new economic sociology as represented by James Coleman and Mark Granovetter” (Wang, 2005, p. XIII) is indeed adequately represented by Coleman is a question of Richard Swedberg (1990, p. 17f) that safely can be left unanswered: “From a sociological perspective, there might be sharp differences between the ‘new economic sociology’ and ‘rational choice sociology’. In reality, however, the lines are not all that clear and the two are interrelated in interesting and unpredictable ways. This is also true for economic imperialism and its interaction with traditional social sciences. From one viewpoint, economic imperialism is clearly an expression of economics turning inward and isolating itself. However, from another point of view, it represents the beginning of a dialogue between economics and the other social sciences”.

<sup>xiv</sup> Bourdieu is thus accused (or defended, cf. Lebaron, 2003) of both the economization of sociology (Nassehi & Nollmann, 2004) and the over-socialization of the economics (Smart, 1993). This verdict is not only based on his notion of cultural capital – which is deemed strongly influenced by Gary Becker’s concept of human capital (Baron & Hannan, 1994) – but also on the fact that Becker (1974), Bourdieu (1983) and Coleman agree (1973, 1994) on the existence of marriage markets or educational markets.

<sup>xv</sup> Which is even true if the efficiency of theories of functional differentiation, i.e. one of the few uncontested areas of expertise of social systems theory (Schimank, 2005, p. 42), is contested by new economic sociology (Beckert, 2011).

<sup>xvi</sup> Even the above mentioned early form of a value-added tax was rather a church tax or, even better, a tithe that supported the custodians of the market, which is exactly why it did not participate in the market exchange.

<sup>xvii</sup> In its origins, religion is best captured as the semantics and practice of the distinction of the familiar and the unfamiliar („In ihren Ursprüngen ist Religion am besten zu begreifen, wenn man sie als eine Semantik und Praktik versteht, die es mit der Unterscheidung von Vertrautem und Unvertrautem zu tun hat“, (Luhmann, 1997, p. 232)).

<sup>xviii</sup> “Sometimes this neutrality takes the form of a truce, which is ended as soon as the barter is completed” (Grierson, 1980, p. 27).

<sup>xix</sup> „Zum Beispiel lag die Agora von Athen innerhalb der Stadt, in einem von Grenzsteinen markierten Bereich. In eigens errichteten offenen Säulenhallen (Stoa) boten Händler ihre Waren dar. Zahlreiche soziale und politische Aktivitäten fanden ebenfalls auf dem Markt statt, wo etwa Sokrates wohlhabende junge Athener behelligte, die mehr an ihren Reichtum als an ihre Seelen dachten. Speziell dafür ernannte Beamte sorgten dafür, dass auf dem Markt Ordnung herrschte, genaue Masse und Gewichte verwendet wurden und kein Falschgeld im Umlauf war. Auf dem Markt verübte Straftaten wurden von speziellen Gerichten geahndet“ (Swedberg, 2007b, p. 14).

<sup>xx</sup> In a headline of his article on *Max Weber’s Interpretative Economic Sociology*, Richard Swedberg (2007a, p. 1035) declares “We Need More Ideas!” and goes on confessing: “I would say that economic sociology (...) is not very innovative and bold”. On the following pages, he proposes to refer to the classics of economic sociology as drivers for innovation.